

UNIVERSITY OF NEW ORLEANS
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED MARCH 29, 2006

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Six copies of this public document were produced at an approximate cost of \$14.88. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.state.la.us. When contacting the office, you may refer to Agency ID No. 3610 or Report ID No. 05802260 for additional information.

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STEVE J. THERIOT, CPA
LEGISLATIVE AUDITOR

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March 16, 2006

UNIVERSITY OF NEW ORLEANS
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
New Orleans, Louisiana

As part of our audit of the Louisiana State University System's financial statements for the year ended June 30, 2005, we considered the University of New Orleans' internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the university's compliance with laws and regulations that could have a direct and material effect on the System's financial statements as required by *Government Auditing Standards*. In addition, we considered the University of New Orleans' internal control over compliance with requirements that could have a direct and material effect on a major federal program, as defined in the Single Audit of the State of Louisiana, and we tested the university's compliance with laws and regulations that could have a direct and material effect on the major federal programs as required by U.S. Office of Management and Budget Circular A-133.

The annual financial information provided to the Louisiana State University System by the University of New Orleans was not audited or reviewed by us, and, accordingly, we do not express an opinion on that financial information. The university's accounts are an integral part of the Louisiana State University System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management's consideration. All findings included in this management letter that are required to be reported by *Government Auditing Standards* will also be included in the State of Louisiana's Single Audit Report for the year ended June 30, 2005.

Deficiency in Disaster Recovery Plan

The University of New Orleans does not have access to an offsite disaster recovery facility or a schedule for testing as a part of its disaster recovery plan. Good internal control requires that the university have a disaster recovery plan that provides for the timely restoration and continuity of critical entity operations in the event that normal data processing facilities are unavailable for an extended period of time. In addition, the Office of Information Technology Policy Number 11 requires state entities to develop, test, and maintain disaster recovery and business continuity plans designed to ensure the availability of mission-critical services and functions in the event of a disaster or

unscheduled event that would impact the agency's information technology (IT) and telecommunications systems.

An adequate disaster recovery/business continuity plan should include, at a minimum, the following:

- Providing a written functional plan that will allow for continued operation of all critical IT services in the event of an unexpected interruption
- Routinely backing up data files, computer programs, and critical documents and storing this information offsite at a remote facility, which should have the same operating systems as the university so that data can be processed and operations can continue with minimal disruption of services
- Adequately training staff and other users of the system so they understand their responsibilities in case of emergencies
- Providing a schedule for testing the plan to ensure it works as intended

Our review of the university's disaster recovery plan disclosed the following deficiencies:

- The plan did not provide a schedule for testing the plan to ensure it worked as intended.
- The plan did not state a specific site where operations could be continued.

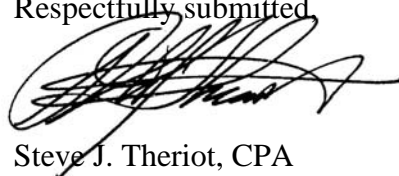
University management has not placed sufficient emphasis on developing and implementing an adequate disaster recovery/business continuity plan for the university. Management's failure to develop and implement an adequate disaster recovery/business continuity plan increases the risk that in the event of a disaster, there will be an untimely or excessive delay in processing critical data and that critical data including public records may be lost. This could have a significant impact on financial accountability and could impair the ability to collect revenues, provide services, or perform other critical business functions.

The University of New Orleans should develop and implement a comprehensive disaster recovery/business continuity plan that allows critical operations to be reestablished and data to be restored from an alternative location within an acceptable time frame should a disaster occur. In addition, the plan should be periodically tested and updated as necessary to ensure it works as intended in emergency situations. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, pages 1-3).

The recommendation in this letter represents, in our judgment, that most likely to bring about beneficial improvement to the operations of the university. The nature of the recommendation, its implementation cost, and its potential impact on the operations of the university should be considered in reaching decisions on courses of action.

This letter is intended for the information and use of the university and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve J. Theriot", written over a horizontal line.

Steve J. Theriot, CPA
Legislative Auditor

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UNO05

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Management's Corrective Action
Plan and Response to the
Finding and Recommendation



UNIVERSITY of
NEW ORLEANS

OFFICE OF THE CHANCELLOR

February 17, 2006

Mr. Steve J. Theriot
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804

Dear Mr. Theriot:

In response to the recent audit of the Disaster Recovery Plan for the University of New Orleans, the University concurs with the findings and recommendations provided. These recommendations will be incorporated into the University's Disaster Recovery Plan. The plan includes a schedule for testing our recovery procedures and states a specific site where operations could be continued. A detailed explanation of the deficiencies as well as corrective action is included below for which Jim Burgard, Assistant Vice Chancellor for Computer Services will be responsible.

Testing the "fail over" functions:

The University Computer Center (UCC) will test in May/June of each year, the "fail-over" function for mission critical systems to ensure that the process is functioning properly. Given the almost impossible prospect of finding an alternate host site with sufficient spare capacity, identical hardware and operating system software, UNO has opted to develop a "mirror" site or "hot" swappable site located at the Frey Computer Center on the LSU Baton Rouge campus. A "hot" swappable site is a backup site that has identical duplicate hardware and software that is synchronized in real time with the site located on the main campus. At a moments notice, the University can switch the main site to the backup. The switching process can take anywhere from 5 to 30 minutes to be completed.

This testing should include the help of functional staff who will verify that they are able to continue performing their business process once the switch has taken place. It is important to note that this "fail-over" process could be used at any time there is an interruption to service on the main campus. These processes and procedures will allow the University to handle many situations that threaten to disrupt business continuity.

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February 17, 2006
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UCC's staff is proficient on these systems and was responsible for establishing the original servers and the servers located at our "hot" swappable site in Baton Rouge following Hurricane Katrina. Although Hurricane Katrina displaced the UCC staff members throughout the country, the University was able to locate sufficient staff in the Baton Rouge area as well as supplemented our staff with assistance from the Louisiana State University computer center.

Procedure for maintaining computing systems:

The University's original off site storage of backup tapes was located in downtown New Orleans. After Hurricane Katrina, we have established a new contract with a national company, Iron Mountain, to store our backup tapes. The tapes are currently being stored in a facility outside of Baton Rouge, 80 miles away from the University. Iron Mountain also monitors storm conditions and will move our tape library to a facility located outside the danger zone should it become necessary.

We will maintain approximately 25 servers at the University of New Orleans and 25 backup servers at the Frey Computer Center in Baton Rouge to run the mission critical functions of the University. The following have been identified as mission critical functions:

Domain Controllers

Web – UNO Home Page

Email – MS Exchange for Faculty/Staff and Students

PeopleSoft – Learning Solutions (HR/Payroll/Student Administration)

PeopleSoft – Financials (General Ledger, Purchasing, Payables)

When a storm is within 48 to 24 hours of landfall, we will switch the on-campus functions to the Baton Rouge location. The "fail-over" can take place in a matter of minutes. This will be accomplished in two ways: For the Web and Email systems, a software product called NeverFail will be used to keep the data synchronized and provide for the switching function. When a switch to our backup site is required, we will execute a command to re-direct computing functions to our backup site. For the PeopleSoft system, since these are Oracle based, an Oracle module call DataGuard will be used to keep these systems synchronized. Similar to the NeverFail product, once a decision is made to perform the switch, UCC staff will execute a command to re-direct PeopleSoft computing functions to our backup site. In this way, all University business units will continue to operate even though we are not running these processes on servers on the main campus.

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In addition to the computer functions that are able to be executed from the Louisiana State University campus, the University also has a contract with the provider of our Learning Management System – Blackboard ASP in Washington, DC. This system is hosted by the software provider and does not run on any on-campus computer. Therefore, it will be available to students on the Internet regardless of conditions of either the UNO campus or the LSU backup site. Blackboard ASP hosting has its own procedures in place and will provide for disaster recovery as part of our software service contract.

Please let me know if I can provide additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy P. Ryan", written in a cursive style.

Timothy P. Ryan
Chancellor